

By: Howard

H.B. No. 1074

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the contents of and public access to personal financial
3 statements and the creation of a select interim committee to
4 undertake a comprehensive review of personal financial disclosures
5 made to the Texas Ethics Commission and certain other authorities.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Sections 572.023(a) and (b), Government Code,
8 are amended to read as follows:

9 (a) A financial statement must include an account of the
10 financial activity of the individual required by this subchapter to
11 file a financial statement and an account of the financial activity
12 of the individual's spouse and dependent children [~~if the~~
13 ~~individual had actual control over that activity~~] for the preceding
14 calendar year.

15 (b) The account of financial activity consists of:

16 (1) a list of all sources of occupational income,
17 identified by employer, or if self-employed, by the nature of the
18 occupation, including identification of a person or other
19 organization from which the individual or a business in which the
20 individual has a substantial interest received a fee as a retainer
21 for a claim on future services in case of need, as distinguished
22 from a fee for services on a matter specified at the time of
23 contracting for or receiving the fee, if professional or
24 occupational services are not actually performed during the

1 reporting period equal to or in excess of the amount of the
2 retainer, and the category of the amount of the fee;

3 (2) identification by name and the category of the
4 number of shares of stock of any business entity held or acquired,
5 and if sold, the category of the amount of net gain or loss realized
6 from the sale;

7 (3) a list of all bonds, notes, and other commercial
8 paper held or acquired, and if sold, the category of the amount of
9 net gain or loss realized from the sale;

10 (4) identification of each source and the category of
11 the amount of income in excess of \$500 derived from each source from
12 interest, dividends, royalties, and rents;

13 (5) identification of each guarantor of a loan and
14 identification of each person or financial institution to whom a
15 personal note or notes or lease agreement for a total financial
16 liability in excess of \$1,000 existed at any time during the year
17 and the category of the amount of the liability;

18 (6) identification by description of all beneficial
19 interests in real property and business entities held or acquired,
20 and if sold, the category of the amount of the net gain or loss
21 realized from the sale;

22 (7) identification of a person or other organization
23 from which the individual or the individual's spouse or dependent
24 children received a gift of anything of value in excess of \$250 and
25 a description of each gift, except:

26 (A) a gift received from an individual related to
27 the individual at any time within the second degree by

1 consanguinity or affinity, as determined under Subchapter B,
2 Chapter 573;

3 (B) a political contribution that was reported as
4 required by Chapter 254, Election Code; and

5 (C) an expenditure required to be reported by a
6 person required to be registered under Chapter 305;

7 (8) identification of the source and the category of
8 the amount of all income received as beneficiary of a trust, other
9 than a blind trust that complies with Subsection (c), and
10 identification of each trust asset, if known to the beneficiary,
11 from which income was received by the beneficiary in excess of \$500;

12 (9) identification by description and the category of
13 the amount of all assets and liabilities of a corporation, firm,
14 partnership, limited partnership, limited liability partnership,
15 professional corporation, professional association, joint venture,
16 or other business association in which 50 percent or more of the
17 outstanding ownership was held, acquired, or sold;

18 (10) a list of all boards of directors of which the
19 individual is a member and executive positions that the individual
20 holds in corporations, firms, partnerships, limited partnerships,
21 limited liability partnerships, professional corporations,
22 professional associations, joint ventures, or other business
23 associations or proprietorships, stating the name of each
24 corporation, firm, partnership, limited partnership, limited
25 liability partnership, professional corporation, professional
26 association, joint venture, or other business association or
27 proprietorship and the position held;

1 (11) identification of any person providing
2 transportation, meals, or lodging expenses permitted under Section
3 36.07(b), Penal Code, and the amount of those expenses, other than
4 expenditures required to be reported under Chapter 305;

5 (12) any corporation, firm, partnership, limited
6 partnership, limited liability partnership, professional
7 corporation, professional association, joint venture, or other
8 business association, excluding a publicly held corporation, in
9 which both the individual and a person registered under Chapter 305
10 have an interest;

11 (13) identification by name and the category of the
12 number of shares of any mutual fund held or acquired, and if sold,
13 the category of the amount of net gain or loss realized from the
14 sale; ~~and~~

15 (14) identification of each blind trust that complies
16 with Subsection (c), including:

17 (A) the category of the fair market value of the
18 trust;

19 (B) the date the trust was created;

20 (C) the name and address of the trustee; and

21 (D) a statement signed by the trustee, under
22 penalty of perjury, stating that:

23 (i) the trustee has not revealed any
24 information to the individual, except information that may be
25 disclosed under Subdivision (8); and

26 (ii) to the best of the trustee's knowledge,
27 the trust complies with this section; and

1 (15) identification of any other source of earned or
2 unearned income, including a pension, individual retirement
3 account, or other retirement plan, and the category of the amount of
4 income derived from each source.

5 SECTION 2. Section 572.032(a), Government Code, is amended
6 to read as follows:

7 (a) Financial statements filed under this subchapter are
8 public records. The commission shall maintain the statements in
9 separate alphabetical files and in a manner that is accessible to
10 the public during regular office hours and make the statements
11 available to the public on the commission's website.

12 SECTION 3. Sections 572.032(b) and (c), Government Code,
13 are repealed.

14 SECTION 4. (a) A select interim committee is created to
15 study and review the procedures and effects of the filing of
16 personal financial statements with the Texas Ethics Commission or
17 other authorities under Chapter 572, Government Code, or other
18 similar laws.

19 (b) The study must consider:

20 (1) the purposes of the current disclosure statutes
21 and whether the statutes accomplish those purposes;

22 (2) the effectiveness of the current disclosure
23 scheme; and

24 (3) what changes, if any, should be made to more
25 effectively accomplish the purposes of personal financial
26 disclosures.

27 (c) The committee is composed of:

1 (1) five members appointed by the lieutenant governor
2 as follows:

3 (A) two senators;

4 (B) one representative of an open government
5 advocacy organization;

6 (C) one representative of an organization
7 representing professional media; and

8 (D) one member of the public;

9 (2) five members appointed by the speaker of the house
10 of representatives as follows:

11 (A) two state representatives;

12 (B) one representative of an open government
13 advocacy organization;

14 (C) one representative of an organization
15 representing professional media; and

16 (D) one member of the public; and

17 (3) one member of the Texas Ethics Commission,
18 appointed by the presiding officer of the Texas Ethics Commission,
19 who shall serve as the presiding officer of the committee.

20 (d) The committee shall convene at the call of the presiding
21 officer.

22 (e) The committee has all other powers and duties provided
23 to a special or select committee by the rules of the senate and
24 house of representatives, by Subchapter B, Chapter 301, Government
25 Code, and by policies of the senate and house committees on
26 administration.

27 (f) Not later than January 15, 2015, the committee shall

1 report the committee's findings and recommendations to the
2 lieutenant governor, the speaker of the house of representatives,
3 and the governor. The committee shall include in its
4 recommendations specific statutory and rule changes that appear
5 necessary from the results of the committee's study under
6 Subsection (a) of this section.

7 (g) Not later than the 60th day after the effective date of
8 this Act, the lieutenant governor, the speaker of the house of
9 representatives, and the presiding officer of the Texas Ethics
10 Commission shall appoint the members of the committee created under
11 this section.

12 (h) The Texas Legislative Council and the Texas Ethics
13 Commission shall provide any necessary staff and resources to the
14 committee created under this section.

15 (i) The committee created under this section is abolished
16 and this section expires January 20, 2015.

17 SECTION 5. Section 572.023, Government Code, as amended by
18 this Act, applies only to a financial statement filed under
19 Subchapter B, Chapter 572, Government Code, on or after January 1,
20 2014. A financial statement filed before January 1, 2014, is
21 governed by the law in effect on the date of filing, and the former
22 law is continued in effect for that purpose.

23 SECTION 6. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2013.